



North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services
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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Richard J. Visingardi, Ph.D., Director

2003 -2004 PERFORMANCE AGREEMENT
BETWEEN
THE DIVISION OF MENTAL HEALTH, DEVELOPMENTAL
DISABILITIES AND SUBSTANCE ABUSE SERVICES
AND
Generic Document

This agreement is hereby entered into by and between the North Carolina Division of Mental Health, Developmental Disabilities and Substance Abuse Services, hereinafter referred to as the "Division," and the _____, hereinafter referred to as the "Area Authority/County Program (AA/CP)" in order to delineate the responsibilities of both parties.

I. Nature and Term of Agreement

This agreement shall serve as the formal memorandum of agreement between the Division and the AA/CP for the purpose of ensuring that State funds are used during State Fiscal Year (SFY) 2003 – 2004 in accordance with priorities expressed in the certified (or conditionally certified) AA/CP business plans required by G.S. 122C-115.2. The agreement also shall serve as a performance contract between the Division and the AA/CP during SFY 2003-2004. As such, the agreement provides not only responsibilities of the parties, but also specific performance requirements, monitoring procedures, provisions for corrective actions and sanctions regarding those requirements.

The agreement will be effective July 1, 2003, and will remain in effect through June 30, 2004.

The AA/CP must sign and return the agreement to the Division on or before November 1, 2003. If the AA/CP does not return a signed agreement by that date the Division may withhold interim payments normally made to the AA/CP during SFY 2003-2004 until an agreement is fully executed. If the AA/CP does not sign an agreement by July 1, 2004, the SFY 2003-2004

performance agreement between the parties shall remain in force, unless terminated in accordance with the provisions of Section VIII of the previous agreement.

II. Division Responsibilities

The Division agrees to:

- A.** Allocate to the AA/CP available funds from state, federal or other sources for assurance of services and review and approve, when satisfactory, the AA/CP's SFY 2003-2004 Annual Service Plan incorporating it into the Integrated Payment and Reporting system (IPRS). Such allocations will be provided through continuation, final and additional allocation letters which are to be considered as amendments to this Agreement.
- B.** Provide funds for the assurance of the provision of activities or services which may be earned and settled on an expenditure basis in accordance with agreements made in the allocation letters for such purchases.
- C.** Deliver data from reports in a timely fashion.
- D.** Send allocation letters to the AA/CP within forty-five days of the date the State Budget is certified.
- E.** Provide to the AA/CP necessary and reasonable rules, policy guidance and technical assistance applicable to all program components included within the scope of operations of this agreement. Provide to the AA/CP clear, written information about Division funding and Medicaid, as the designated intermediary on Medicaid. This shall specifically include clear, written information on service definitions, rates, billing rules (including which services can be billed concurrently) specific for consumers or special allocations, documentation requirements, audit rules, settlement rules and procedures.
- F.** Amend the agreement and compensate the AA/CP as appropriate, within available funding, to incorporate new or additional program or reporting requirements except where such requirements are imposed by federal or state law, regulation or grant, contract or cooperative agreement.
- G.** The Division Director may, with the advice of the Department of Health and Human Services (DHHS) Controller, approve special settlement procedures and special payments to the AA/CP. Special settlements and payments may be made only when the AA/CP has complied with published Division requirements and accurate earnings and settlement information are not available due to Division errors. Such errors may involve allocation, cost-finding, rate-setting, payments, explanations of special conditions attaching to allocations, reporting back on earnings information, unanticipated but necessary changes to fiscal procedures, or other similar matters.
- H.** Coordinate requests for information and reports from the AA/CP to the maximum extent possible.
- I.** Assure that all state operated facilities (psychiatric hospitals, mental retardation centers, alcohol and drug addiction treatment centers and other State MH/DD/SAS facilities) fulfill their obligations related to all appropriate requirements in this agreement.

- J.** Notify the AA/CP prior to the implementation of any Division initiative that will change the flow of funding and have a significant impact on AA/CP assurance of service delivery and performance expectations.

III. General Area Authority/County Program Responsibilities

The AA/CP agrees to:

- A.** Assure the provision of services as specified in this agreement for individuals according to applicable rules, rates and procedures.
- B.** Unless specific written exception has been granted by the Division, comply with assurance of service provision, documentation and reporting requirements with fiscal and accounting requirements and with other requirements of applicable federal and state funds awarded to the AA/CP, including, but not limited to, the following regulations, manuals, and MOA's:
 - 1. All applicable State and Federal laws, rules and regulations;
 - 2. All applicable Federal requirements contained in the Division prepared "Summary of Significant Federal Funding Requirements;"
 - 3. APSM 45-2: Service Record Manual (SRM). Changes to the SRM will be incorporated as amendments to this document.
 - 4. APSM 70-1: Statistical Reporting Manual;
 - 5. Cost-Finding Manual;
 - 6. APSM 30-1 (Revised 10/2002): Rules for Mental Health, Developmental Disabilities and Substance Abuse Facilities and Services;
 - 7. CAP-MR/DD Manual;
 - 8. APSM 75-1: Area Authority/County Program Budgeting and Procedures Manual;
 - 9. Fiscal Monitoring Reports;
 - 10. MOA between the Division and the AA/CP regarding IPRS implementation;
 - 11. State Plan: 2003 Blueprint for Change, Local Business Plan, communiqués, and conditions negotiated through the Local Business Plan review process; and
 - 12. All DMH/DD/SAS and DMA Medicaid communiqués and guidelines.

NOTE: Specific items to be monitored under section III-C for Fiscal Year 2003-2004 are contained in Attachment 1 of this agreement.

- C.** The AA/CP will provide evidence by initialing or by separate letter that the Performance Agreement has been reviewed with the respective county manager(s).

IV. Area Authority/County Program Performance Requirements

In addition to the general responsibilities outlined in the previous sections of this agreement that the AA/CP shall be accountable to the Division for performance with respect to a series of requirements described in this section. Specific indicators of performance to be used for SFY 2003-2004 follow:

A. Fiscal Management

1. Maintain responsible accounting, reimbursement and financial management practices so as to provide continuous unrestricted fund balance of at least one month's operational costs and to insure consistent availability of services to consumers within overall funding levels.
2. Submit all reports required by law, regulations or the DHHS by assigned due dates in acceptable quality and comply with all the performance indicators that are tracked in the reports. Such reports include the following:
 - Quarterly Fiscal Monitoring Reports (See Attachment 3);
 - Quarterly Local Business Plan (LBP) updates (See Attachment 2 page 3; Communication Bulletin 2; and Attachment 4);
 - Cost-finding report;
 - Documentation of paybacks for non-compliance items identified during the Annual Medicaid Services Audit;
 - SFY 2003-2004 Semi-Annual Substance Abuse Prevention and Treatment Block Grant Compliance Report (See Attachment 5);
 - Substance Abuse/Juvenile Justice Initiative Quarterly Report (See Attachment 7);
 - TANF Work First Initiative quarterly reports [pursuant to G.S. 108A-29.1 and G.S. 108A- 25.2] (For Reporting Form see Attachment 6); and
 - Evidence of a signed Trading Partner Agreement (TPA).

B. Accountability

1. Implement corrective actions and management improvements as required by the Secretary, the Division, or as committed to by the AA/CP from audits, program reviews, or quality improvement processes. Such reviews shall include, but not be limited to, Medicaid documentation audits, local single audits, Federal program audits, State program reviews, and accreditation visits and reports.
2. Achieve and maintain accreditation by a recognized national accrediting agency as required by Division policy.
3. Submit timely and complete client data reports for all individuals receiving services as specified in each of the following categories:
 - Client Data Warehouse (CDW) submissions;

- Client Outcome Initiative (COI);
- North Carolina Treatment Outcomes and Program Performance System (NC TOPPS) Assessments (See Attachment 9);
- Participation in the Core Indicators Project for persons with developmental disabilities;
- Submission of waiting list data for treatment and/or prevention of mental health disabilities for children by local community collaborative;
- Maintain current, accurate computerized database reflecting content specified for individuals with developmental disabilities;
- And Complete the NC SNAP.

C. Client Rights and Relations

1. Administer the Division Client Satisfaction Surveys to individuals receiving mental health and substance abuse services consistent with Division standards and submit data received according to Division guidelines;

D. Service Delivery

1. Provide an appointment to see individuals who choose the AA/CP for follow-up care within five (5) working days after notification to the AA/CP of discharge from state hospitals or ADATC's. If the individual does not attend the appointment (i.e., no show) the AA/CP will document that reasonable professional efforts were made to see or reschedule the individual.

V. Monitoring/Determination of Contract Performance

The following methods will be employed to monitor and/or validate performance of the AA/CP under this agreement (see Attachment 1).

- A. The Division will analyze data already available to it through routine reporting or secondary data sources (e.g., calculation of ratio of outcome instruments actually received to number due by a given date);
- B. Self reporting by the AA/CP (e.g., provision of signed interagency agreement or report on corrective action completed);
- C. The Division will accept and follow-up (through call, writing or site visit as necessary) on complaints and incidents;
- D. The Division may conduct site visits, record reviews, consumer and/or staff interviews to validate fulfillment of specific requirements;
- E. Document reviews – to establish timeliness and completeness of required reports.

- F.** The Division will analyze Fiscal Monitoring Reports according to financial stability measures (See Attachment 3: Financial Stability Checklist);
- G.** The Division will examine the accreditation review findings during scheduled site visits;
- H.** The Division will manage, report and follow-up on monitoring of the AA/CP's performance; and
- I.** The Division will provide to the AA/CP semi-annual reports summarizing current information on its monitoring of performance of this agreement to date within sixty (60) days from the conclusion of the six months. These reports will provide results of the Area Authority/County Program's specific performance and progress as well as statewide data and cross-AA/CP comparisons.

VI. Corrective Actions/Sanctions for Non-Performance

The Division will publish results of monitoring in periodic reports with AA/CP specific performance data, comparisons to statewide data and cross AA/CP comparisons within sixty (60) days from the conclusion of the subject quarter. If monitoring reveals substantial non-performance, a graduated approach to corrective actions will be taken. The initial emphasis will be to improve performance through development of corrective action plans. The AA/CP may be required to develop corrective action plans with specific dates for completion and reporting thereon. If a corrective action plan is required, reasonable time for the corrective action will be allowed and the completion status will be tracked and reported.

- A.** Notify the appropriate county manager, Department, State or Medicaid auditors of the non-performance item;
- B.** Assess a financial penalty as authorized by State or Federal regulation;
- C.** Remove a program or the segment from contract and award a contract for services to another entity in current year as authorized by State or Federal law or regulation;
- D.** Assume control of the financial affairs of the AA/CP as authorized by State statute;
- E.** Consider the overall performance of the AA/CP in the development of future years operations. If performance is inadequate the Division may recommend that assurance of services be sought from other entities.

The Division will provide informal opportunities for discussion between the AA/CP and the Division prior to the administrative process of appeal of findings, corrective actions or other sanctions and before corrective actions or other sanctions are applied in accordance with applicable statutes and administrative rules.

If AA/CP officials believe that information contained in a report, as described in V.I. above, is in error, the AA/CP Director may make a written appeal to the Division Director within fifteen (15) working days of receipt of the report by the AA/CP. The appeal should include reference to the specific requirement(s) that is/are in question, a clear and concise refutation and any supporting documentation that can assist in the resolution of the dispute.

Appeals should be mailed to the following address:

Richard J. Visingardi, Ph.D., Director
North Carolina DMH/DD/SAS
Mail Service Center 3001
Raleigh, NC 27699-3001

The Division Director will appoint staff to review timely appeals and to make recommendations on a decision: either concurrence with or denial of the appeal. The Division Director will notify the AA/CP Director of the appeal outcome in writing. When the Division Director denies the appeal, the specific reason(s) for the decision will be stated in the notice. In cases where the Division concurs with the appeal the Division Director also will send written notice of the decision to the Chair of the Area Authority and/or the County Board of Commissioners and the County Manager(s). An errata sheet and/or corrected table, highlighting the error(s), will be included in the next Performance Agreement semi-annual report.

VII. Amendments

This agreement may be amended:

- A. Upon the receipt of an Allocation Letter, including Special Conditions, from the Division or written actions signed by the Division Director; or
- B. By mutual written consent of both parties.

VIII. Termination

This Agreement may be terminated, in whole or in part, by mutual written consent of both parties or by either party for cause upon 90 days written notice to the other party. In the event of termination in part the parties shall continue such activities and responsibilities not terminated. In the event of termination prior to the expiration date of this agreement the Division shall pay the AA/CP for approved services provided to the date of termination.

Attachments to the 2003-2004 Performance Agreement

Attachments referenced within this agreement and listed remain in effect for 2003-2004. The Prompt Payment guidelines for monitoring have been sent to AA/CP's contained within the Medicaid Monitoring packet.

1. Items Monitored Under Section III-C for the 2003-2004 Performance Agreement;
2. Performance Indicators for the 2003-2004 Performance Agreement ;
3. Financial Stability Checklist;
4. Quarterly Local Business Plan Reporting Form
5. SYF 2003-2004 Semi-Annual Substance Abuse Prevention and Treatment Block Grant Compliance Report;
6. TANF WF/SA Initiative for AA/CP Compliance
7. Substance Abuse/Juvenile Justice Initiative Quarterly Report of AA/CP Compliance
8. WF/SA Initiative Reporting Form
9. NC Treatment Outcomes & Program Performance System (NC-TOPPS) for AA/CP Compliance
10. ACR&QI Client Rights Committee, 2003-2004 Annual Requirement

11. Summary of Significant Federal Funding Requirements
12. Prompt Pay Provision
13. LME Local Business Plan (LBP) Conditions (submitted to each AA/CP on completion of each LBP review).
14. Summary of Due Dates, Division Contact Persons, Mailing Addresses, Phone Numbers, and E-mail Addresses for Performance Agreement Indicators (for attachment I).
15. Summary of Due Dates, Division Contact Persons, Mailing Addresses, Phone Numbers, and E-mail Addresses for Performance Agreement Indicators (for attachment II).

Signatures:

**North Carolina Department of
Health and Human Services-Division
of Mental Health, Developmental
Disabilities, and Substance Abuse
Services:**

Date:

Date:

Richard J. Visingardi, Ph.D.
Director

Area Board/Advisory Council Chair

Area Director/ CEO
